



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**www.bpu.state.nj.us**

TELECOMMUNICATIONS

IN THE MATTER OF AT&T	)	ORDER ADOPTING INITIAL
COMMUNICATIONS OF NJ, L.P. ET AL	)	DECISION
V. VERIZON NEW JERSEY INC. - DISPUTE	)	
REGARDING RECIPROCAL COMPENSATION	)	BPU DOCKET NO. TC99110838
AND ISP TRAFFIC	)	OAL DOCKET NO. PUC 8336-01

(Service List Attached)

BY THE BOARD:

On June 11, 1997, AT&T Communications of New Jersey and its affiliates (collectively, AT&T), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (Board), filed a complaint with the Board seeking reciprocal compensation as contract damages from Verizon New Jersey Inc. (VNJ) pursuant to two interconnection agreements that were executed in 1996 and 1997.

PROCEDURAL HISTORY

AT&T is the successor in interest to agreements entered into by Teleport Communications Group, Inc (TCG) and Eastern Telelogic Corporation (ETC). VNJ was formerly known as Bell Atlantic-New Jersey (BA-NJ). Therefore, the 1996-1997 agreements at issue are between BA-NJ and TCG and/or ETC.

AT&T sought an Order requiring VNJ to pay AT&T reciprocal compensation pursuant to the interconnection agreements when VNJ customers place local "dial-up" calls to reach internet service providers (ISPs) that are customers of AT&T.

Hearings were held on April 19-23, 2004 at the Office of Administrative Law (OAL) in Atlantic City, New Jersey, before Administrative Law Judge (ALJ) W. Todd Miller. On July 2, 2004, ALJ Miller issued an Order setting forth factual findings and legal conclusions in connection with the liability phase of this matter.

ALJ Miller found that VNJ must compensate AT&T for the costs that AT&T incurs in delivering traffic that originates on VNJ's network to AT&T's ISP customers. On July 12, 2004, AT&T submitted a Motion for Reconsideration of the July 2, 2004 Order. AT&T's motion sought limited reconsideration for what AT&T perceived as an erroneous finding of fact regarding services known as Foreign Exchange (FX) and Virtual Foreign Exchange (VFX). Oral argument was granted and held on September 8, 2004 at the OAL offices in Atlantic City. On October 6, 2004,

ALJ Miller entered an Order granting AT&T's motion declaring that FX and VFX services are subject to reciprocal compensation pursuant to the underlying interconnection agreements.

On November 30, 2004, prior to the opening of the remedy / damage hearings which were scheduled for April 5 and 6, 2005, the Parties jointly requested to withdraw with prejudice the above-captioned matter. The basis for the withdrawal was that the parent companies of AT&T and VNJ have reached a full settlement of this and various other litigation proceedings in a number of forums, related to the parties' obligations to pay reciprocal compensation and/or inter-carrier compensation for ISP-bound traffic.

ALJ Miller issued an Initial Decision dismissing this matter with prejudice on December 3, 2004.

### FINDINGS

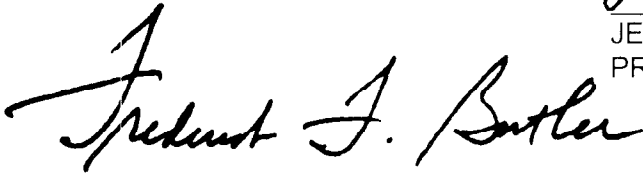
The Board, having reviewed ALJ Miller's Initial Decision, FINDS that the Parties have voluntarily agreed to the withdrawal and dismissal with prejudice and that this withdrawal fully disposes of all issues in this proceeding and is consistent with the law. The Board FINDS the Dismissal to be reasonable and in the public interest and therefore the Board HEREBY ADOPTS the Initial Decision attached hereto as its own incorporating by reference the terms and conditions as if fully set forth at length herein. This Order takes effect immediately.

DATED: 1/13/05

BOARD OF PUBLIC UTILITIES  
BY:



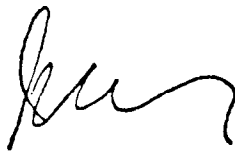
JEANNE M. FOX  
PRESIDENT



FREDERICK F. BUTLER  
COMMISSIONER



CONNIE O. HUGHES  
COMMISSIONER



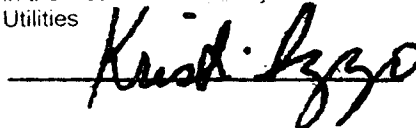
JACK ALTER  
COMMISSIONER

ATTEST:



KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities



AT&T, TC Systems and TCG Delaware Valley, Inc.  
vs. Verizon New Jersey Inc.  
BPU Docket No. TC99110838  
OAL Docket No. PUCOT 08336-01N

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BOARD OF PUBLIC UTILITIES  
NEWARK, N.J.



**State of New Jersey**  
OFFICE OF ADMINISTRATIVE LAW

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**INITIAL DECISION**

**GRANTING WITHDRAW**

OAL DKT. NO. PUC 8336-01

AGENCY DKT. NO. TC991110838

**AT&T COMMUNICATIONS OF NEW  
JERSEY, INC., ET AL.,**

Petitioner,

v.

**VERIZON NEW JERSEY, INC.,**

Respondent.

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**James P. Murphy, Esq.** and **Jonathan Jacob Nadler, Esq.**, for petitioner (Squire, Sanders & Dempsey, LLP, attorneys, *pro hac vice*)

**Cynthia McCoy, Esq.**, for petitioner (AT&T Communications of NJ, L.P.)

**Aaron M. Panner, Esq.**, and **Scott Angstreich, Esq.**, for respondent (Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C., attorneys, *pro hac vice*)

**Bruce D. Cohen, Esq.**, for respondent (Verizon New Jersey)

**Brian O. Lipman**, Deputy Attorney General, for Board of Public Utilities (Peter C. Harvey, Attorney General of New Jersey, attorney)

**Christopher White, Esq.** and **Joshua H. Seidemann, Esq.**, for Division of Ratepayer Advocate

Record closed: December 1, 2004

Decided: December 3, 2004

BEFORE **W. TODD MILLER, ALJ**

**STATEMENT OF THE CASE AND PROCEDURAL HISTORY**

Petitioner AT&T Communications of New Jersey (AT&T-NJ) and its affiliates filed a complaint with the New Jersey Board of Public Utilities (BPU or Board) on June 11, 1997, seeking reciprocal compensation as contract damages from Verizon New Jersey, Inc. (Verizon or VNJ). The dispute arises from two agreements that were executed in 1996 and 1997. AT&T is the successor in interest to agreements entered into by Teleport Communications Group, Inc. (TCG) and Eastern Telelogic Corporation (ETC). Verizon was formerly known as Bell Atlantic-New Jersey (BA-NJ or BA). Therefore, the 1996-1997 agreements at issue are between BA-NJ and TCG and/or ETC. AT&T is seeking an order that VNJ be required to pay it "reciprocal compensation" pursuant to the interconnection agreements when VNJ customers place local "dial-up" calls to reach internet service providers (ISP) that are customers of AT&T. The matter was rescheduled for April 19-23, 2004, at the OAL offices in Atlantic City, New Jersey. The hearings concluded on April 23, 2004. On July 2, 2004, an Order was issued setting forth this ALJ's Factual Finding and Legal Conclusions in connection with the liability phase of this matter (hereinafter "Order").

In the July 2, 2004, Order, this ALJ found that Verizon must compensate AT&T for the costs that AT&T must incur to deliver traffic that originates on Verizon's network to AT&T's ISP customers. On July 12, 2004, AT&T submitted a Motion for Reconsideration of the July 2, 2004, Order. AT&T's motion sought limited reconsideration for what it perceives an erroneous finding of fact regarding services known as FX and VFX services. Oral Argument was granted for the motion. The parties agreed to make in person arguments on September 8, 2004, at the OAL office in Atlantic City, NJ. On October 6, 2004, an Order was entered granting AT&T's motion. FX and VFX services were among those included for within reciprocal compensation.

Remedy or damage hearings were scheduled for April 5 and 6, 2005. The parties moved for a stay pursuant to *N.J.A.C. 17:1-19.1-2* and a Consent Order for Stay of Proceedings issued on October 13, 2004. On November 30, 2004, a motion was filed by AT&T Communications of NJ, L.P., *et al.* ("AT&T") and Verizon New Jersey Inc. ("Verizon"), jointly and through their attorneys, hereby requesting to withdraw with prejudice the above-captioned currently pending proceedings. The basis for the motion was the parent companies of AT&T and Verizon have recently reached a full settlement involving litigation proceedings in various tribunals related to

the parties' obligations to pay reciprocal and/or intercarrier compensation for ISP-bound traffic, including the above-captioned proceedings currently pending before the BPU.

Based upon the foregoing, the joint motion to dispose of the within matter as a "withdraw" is **GRANTED**. The within matter is hereby **DISMISSED** with prejudice.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with *N.J.S.A. 52:14B-10*.

Within thirteen (13) days from the date on which this recommended decision was mailed to the parties, any party may file written exceptions with the **SECRETARY OF THE BOARD OF PUBLIC UTILITIES, 2 Gateway Center, Newark, NJ 07102**, marked "Attention: Exceptions." A copy of any exceptions must be sent to the judge and to the other parties.

12/3/04

DATE \_\_\_\_\_

W J Mulli

W. TODD MILLER, ALJ

E-mail Receipt of Initial Decision Confirmed by the Board of Public Utilities on:

DATE \_\_\_\_\_

Mailed to Parties:

DATE \_\_\_\_\_

OFFICE OF ADMINISTRATIVE LAW

/sd

**DOCUMENTS CONSIDERED**

Joint Motion for Withdraw-November 30, 2004